

GAO Highlights

Highlights of [GAO-24-106564](#), a report to the Chairwoman, Committee on Education and the Workforce, House of Representatives

Why GAO Did This Study

AmeriCorps' grant programs address various community needs, including disaster relief, educational support, and environmental stewardship. In fiscal year 2023, the agency received over \$900 million to fund these grant programs.

However, AmeriCorps has faced financial management challenges. In fiscal year 2023, AmeriCorps' Inspector General identified improving financial management and prioritizing fraud prevention and detection as major management challenges.

GAO was asked to review issues related to AmeriCorps' management of fraud risks in its grant programs. This report examines the extent to which AmeriCorps' (1) fraud risk management activities for major grant programs and (2) antifraud data analytics align with selected leading practices from GAO's Fraud Risk Framework. GAO reviewed relevant policies and documentation, analyzed data, and interviewed agency officials and compared this information with selected leading practices.

What GAO Recommends

GAO is making 10 recommendations, including that AmeriCorps plan and conduct regular program-level fraud risk assessments that align with leading practices and include data completeness and quality challenges as it explores the feasibility of antifraud data analytics. AmeriCorps agreed with our recommendations and described plans to address them.

View [GAO-24-106564](#). For more information, contact Seto J. Bagdoyan at (202) 512-6722 or BagdoyanS@gao.gov.

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GRANTS

AmeriCorps Should Take Multiple Actions to Better Manage Fraud Risks

What GAO Found

AmeriCorps—also known as the Corporation for National and Community Service—administers a variety of grant programs that support service opportunities aimed at addressing community needs. The agency has taken some steps to manage fraud risks in its major grant programs. For example, as part of ongoing efforts to formalize its fraud risk management program, in September 2023 AmeriCorps developed a draft standard operating procedure that documents key roles of those leading fraud risk management activities.

Nevertheless, many of the agency's efforts to manage fraud risks do not fully align with selected leading practices in GAO's Fraud Risk Framework. For instance, AmeriCorps has not established a process to conduct regular fraud risk assessments in its major grant programs. The agency's current fraud risk assessment was conducted at the agency level and was not tailored to identify or address program-specific risks. The agency's programs vary in size and scope. For example, one program funded over 7,000 volunteers, while another program funded over 115,000 volunteers. The agency-level assessment may not result in the information necessary to effectively manage program-level fraud risks.

Furthermore, AmeriCorps' current agency-level fraud risk assessment does not fully align with leading practices in GAO's Fraud Risk Framework. Specifically:

- **Identifying fraud risks.** The fraud risk assessment did not fully identify specific risks or differences across its major grant programs—such as size and scope—that may warrant separate consideration.
- **Assessing inherent fraud risks.** AmeriCorps did not assess the likelihood or impact of the inherent fraud risks it identified.
- **Setting risk tolerance.** AmeriCorps set a fraud risk tolerance that does not align with guidance on the level of risk the agency is willing to accept. Specifically, AmeriCorps' guidance calls for a low fraud risk tolerance. However, the agency's fraud risk assessment set a higher risk tolerance, accepting more risk than called for by the agency's guidance.
- **Considering existing controls.** AmeriCorps did not fully consider the effect of existing controls because it had not assessed its inherent fraud risks.

Conducting fraud risk assessments that fully align with leading practices can help ensure that AmeriCorps produces the program-level information necessary to strategically manage fraud risks across its major grant programs.

AmeriCorps plans to explore and implement feasible antifraud data analytics, as called for by leading practices. However, the agency faces challenges that may hinder these efforts. For example, AmeriCorps does not collect any information on individual volunteers in certain programs, which may limit potential analytics. AmeriCorps has system modernization efforts currently underway that may improve data quality and allow for additional antifraud analytics. However, its plans do not explain whether its analysis will include the benefits and costs of collecting additional information or the anticipated benefits of its modernization efforts. Including these factors will help ensure that AmeriCorps fully explores the feasibility of antifraud data analytics in its major grant programs.